

GOVERNMENT OF TELANGANA  
ABSTRACT

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT DEPARTMENT – GREATER HYDERABAD MUNICIPAL CORPORATION – Strategic Road Development Programme (SRDP) – Construction of Multilevel Flyover/Grade Separators at Four Junctions at LB Nagar and Surroundings in Hyderabad under Engineering Procurement and Construction (EPC) – Turnkey (Package-II) – Revised Administrative Sanction – Accorded - Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (GHMC.I) DEPARTMENT

G.O.Rt.No. 40

Dated: 06-02-2024

Read the following:

1. G.O.Rt.No.121, MA&UD(GHMC) Department, dt:08.09.2015
2. From the Commissioner, GHMC, Hyderabad Lr.No./SE(P-C,N&EZ) /GHMC/2022-23/531, dt:31.01.2023.

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ORDER:

In the G.O. 1<sup>st</sup> read above, Government accorded administrative sanction for 20 Strategic Road Development Programme (SRDP) projects consisting flyovers / junctions with an outlay of Rs.2631 Crores for civil works (excluding land acquisition cost) on EPC mode in different packages, duly meeting the expenditure from GHMC funds. In pursuant to this Order, GHMC has taken up “Construction of Multilevel Flyover/Grade Separators at Four Junctions at LB Nagar and Surroundings in Hyderabad (Package-II) under Turnkey (EPC mode)” work for an amount of Rs.448.00 Crores; and the work was entrusted to M/s BSCPL Infrastructure Ltd. with due tender process for Rs.304.90 Cr. @ 7.9911% less than IBM.

2. In the reference 2<sup>nd</sup> read above, the Commissioner, Greater Hyderabad Municipal Corporation, reported that, during the execution of work certain changes were incorporated depending upon the necessity and the same were carried out duly taking approvals from the Government. The details are as below:

Change in scope of work	Approval Reference
1. Dropping of LB Nagar Jn 3 <sup>rd</sup> level flyover from NH Hayathnagar side to Inner Ring Road right turn towards Kamineni Flyover 2. Change in width of LHS flyover at Kamineni Junction to 3-lane instead of 4-lane to facilitate HMRL alignment from Nagole to LB Nagar	G.O. Rt. No.52 MA & UD (F2) Dept.,Dt:04-02-2017
3. Taking up of new Flyover at Nagole Junction from the savings.	G.O.Rt.No.711, MA&UD(GHMC-II) Dept. dt:18.11.2017
4. Approval to take up maintenance works in Phase-I & Phase-II for pothole filling and BT patchworks	G.O.Rt.No.782,MA&UD(GHMC-II) Dept., Dt:25-11-2019
5. Dropping of Kamineni Junction 1x3 lane underpass across the Inner Ring Road towards Mansoorabad	GO Rt. No.279 MA&UD (GHMC-II) Dept. Dt: 03.04.2021

3. The Commissioner, Greater Hyderabad Municipal Corporation, further reported that, the Government while approving the above modifications also agreed to utilize the resulting savings of Rs.1680.56 Lakhs for formation of Service roads to facilitate free movement of traffic during construction; to utilize the savings of Rs.2996.65 Lakhs due to less tender (i.e., @ 7.9911% less than IBM/Estimate) for shifting of utilities falling in the alignment of structures and balance Rs.363.35 Lakhs to be met from other LS provisions in the estimate (only Rs.14.40 Cr. was made in the estimate as against the requirement of Rs.48.00 Cr.). All the above variations have been approved by EPC Committee-III vide its Meetings held on dt:04-06-2018; Dt:18-02-2021 & dt:17-08-2021.

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4. The Commissioner, Greater Hyderabad Municipal Corporation, further reported that, the Package consists of (13) independent structures out of which at present (9) structures viz., Chinthalkunta Underpass; LB Nagar Jn LHS Flyover; LHS&RHS Underpasses; Baiaramalguda Jn. LHS& RHS Flyovers; Kamineni Jn. LHS&RHS Flyovers and Nagole Jn. Flyover are completed and opened to traffic, Balance (4) works viz., LB Nagar Jn. RHS Flyover; Bairamalguda Junction 2<sup>nd</sup> Level Flyover and LHS & RHS Loops are in progress. Till now 80% of the work is completed with an overall expenditure of Rs.354.73 Cr.

5. The Commissioner, Greater Hyderabad Municipal Corporation, further reported that, the provision for Price Adjustment in the estimate is Rs.33.14 Cr. as against the present requirement of Rs.61.00 Cr. This is because of current prices of Cement, Steel & POL sky rocketed and increased abnormally w.r.t the SSR 2014-15. The EPC agency M/s BSCPL Infrastructure Ltd vide letter dt.06.01.2023 informed that due to less and insufficient provisions in the estimate, the Price Adjustment amount is not being paid to them and expressed their inability to continue with the work if the Price Adjustment amount is not paid.

6. The Commissioner, Greater Hyderabad Municipal Corporation also reported that, the tax rates for Works Contracts have been revised from time to time; in the first instance migration from VAT to GST followed by increase in GST rates from 12% to 18% on and off since the estimate sanctioned in 2015. In the Sanctioned Estimate of above subject work VAT @ 5% (for Rs. 16.57 Cr.) was provided. Later VAT was replaced with GST @ 18% and 12%. Subsequently vide Govt., memo No. 1823202-A/231/A1/WP/2022, dt:29.12.2022 of Finance Department, GST was increased from 12% to 18% with effect from 18.07.2022. The overall financial implication due to revision of the taxes has been worked out and the same is arrived at Rs.58.00 Crores after deduction of embedded taxes.

7. The Commissioner, GHMC, further reported that, the 'At grade road works' provision made in the estimate was Rs.14.40 Cr. whereas as per necessity and to facilitate smooth flow of traffic during construction of flyover/underpasses, the overall requirement of at grade roads is revised to Rs.21.15 Cr.

8. The Commissioner, GHMC, therefore, reported that the total cost of the project is revised to Rs.515.00 Cr. against the original administrative sanction of Rs.448.00 Cr With the deduction of embedded taxes and above mentioned provisions of GST, Price Adjustment and 'At grade road works'.

**An Abstract of the Revisions :**

Rs. In lakhs			
<b>IBM S.No</b>	<b>Item Description</b>	<b>As per Sanction</b>	<b>Revised Estimate</b>
11	Internal Bench Mark Value	33138.09	36911.99
	Embedded Taxes		-3366.26
	Less TP @ (-) 7.9911% on IBM		-2949.67
	Sub-total	33138.09	30596.06
12	VAT/GST	1656.90	5800.00
13	Labour Cess @ 1% on IBM	331.38	370.00
14	PMC @ 3% on IBM	994.14	953.94
15	QCC @ 0.5% on IBM	165.69	153.00
16	Unforeseen @ 2%	662.80	612.00
17	LS Provision for Shifting of tilities	1440.00	4800.00
18	LS Provision for Price Escalation	3314.00	6100.00
19	LS Provision for Tender Premium	1657.00	0.00
20	LS Provision for At grade Road Works Items	1440.00	2115.00
<b>21</b>	<b>Total</b>	<b>44800.00</b>	<b>51500.00</b>

9. Accordingly, the Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad requested the Government to accord Revised Administrative Sanction for Rs.515.00 Crores for the work of "Construction of Multilevel Flyover/Grade Separators at Four Junctions at LB Nagar and Surroundings in Hyderabad under Engineering Procurement and Construction (EPC) " (SRDP Package-II).

10. In the above circumstances reported by the Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad and after careful examination of the matter, Government hereby accords Revised Administrative Sanction for an amount of Rs. 515.00 Crores, duly superseding the originally sanctioned amount of Rs. 448.00 Crores for the work "Construction of Multilevel Flyover/Grade Separators at Four Junctions at LB Nagar and Surroundings in Hyderabad under Engineering Procurement and Construction (EPC) (SRDP Package-II)", subject to meeting the expenditure over and above the original sanction from GHMC funds only.

11. The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad shall take further necessary action in the matter accordingly.

12. This order is issued with the concurrence of the Finance (DCM) Department vide their U.O.No.1901244/47/A2/DCM/2023, dated:13.03.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

M. DANA KISHORE  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
The Commissioner,  
Greater Hyderabad Municipal Corporation, Hyderabad.

Copy to:

P.S. to Special Secretary to Chief Minister.  
OSD to Principal Secretary to Govt., MA&UD Department.  
P.A. to Special Secretary to Govt., MA&UD Department.  
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// FORWARDED :: BY ORDER//

SECTION OFFICER